

Helsinki Declaration

A radical new European competitiveness push

Europe's high-tech manufacturing leaders call on the EU to confront head-on its growing gap with the US and China

The deterioration of Europe's competitiveness has emerged as the most pressing issue facing Europe's leaders. Our continent is falling behind other major economies: in 2024, EU GDP is forecast to grow by 1%, compared with 2.4% in the US and 3.2% for the world as a whole.¹ As our growth stalls, Europe is becoming poorer. Since 2000, American citizens have seen their real disposable income grow almost twice as much as their counterparts in the EU.² Productivity is at the heart of the problem: EU and US productivity were broadly similar in 1995. Today, our productivity is about 20% below America's.³

The gap is growing and will soon become insurmountable unless our political leaders take decisive action now.

It is critical to recognise the situation we are facing for what it is: a decisive challenge for the European continent as we know it. Our citizens' continued welfare, security and environmental standards depend on a vibrant European economy. If our economy can no longer sustain these public goods, Europe's citizens might conclude that our economic and democratic order is no longer fit for purpose.

As the leaders of Europe's high-tech manufacturing industries, who stand firmly behind the EU's net zero goals, we are calling on our politicians at national and EU level to step up. They have to recognise the pivotal moment confronting them, and the enormous responsibility that rests on their shoulders to make the right choices for our shared future.

The reforms that are required for a radical competitiveness push are well known, building on the EU's Single Market as the critical level playing field for our industries.⁴ In particular the EU's unprecedented wave of new regulations during the past years has emerged as a major brake on growth and productivity in our industries and a disadvantage for the EU as a location for innovation and investment. While the US adopted 3,500 pieces of legislation at federal level in the period 2019-2024, 13,000 acts were passed by the EU⁵. Beyond the sheer volume, major pieces of legislation have often been needlessly prescriptive, unclear and incoherent.

¹ European Commission [Spring 2024 Economic Forecast](#)

² [The future of European Competitiveness](#) by Mario Draghi

³ European Central Bank, [Monetary Policy in an Era of Transformation](#)

⁴ Cf. [The future of European Competitiveness](#) by Mario Draghi; [Much More Than a Market](#) by Enrico Letta

⁵ Cf. [The future of European Competitiveness](#) by Mario Draghi; p.65

A comprehensive reduction of regulatory and administrative burdens resulting from disproportionate and badly designed legislation is now a fundamental priority. Europe must:

- Ensure a single, coherent and predictable regulatory framework by removing national gold-plating of EU legislation
- Focus legislation on goals rather than prescribing which technologies industry should use to get there
- Stop the expansion of complex, costly and lengthy conformity assessment requirements such as 3rd party certification when proven and efficient light-touch alternatives are available
- Stop the use of unreasonably short transition periods, which have become the norm from CBAM to the Data, Cyber Resilience, and AI Acts
- Properly implement, enforce and carefully assess existing legislation before adding new requirements or revising existing ones
- Introduce comprehensive competitiveness checks both at the stage of legislative proposals and during their adoption, taking into account the cumulative burden of legislation
- Align requirements so as to avoid double or contradictory regulation, e.g. between REACH/ RoHS and the Ecodesign for Sustainable Products Regulation (ESPR); or between the Critical Raw Materials Act and ESPR
- Simplify and streamline cumulative reporting obligations across a wide range of EU laws⁶ and remove duplication of reporting obligations to different authorities for the same incident⁷

Complementing this comprehensive reduction of regulatory burdens, Orgalim has set out in detail our industries' concrete and actionable proposals for the incoming institutions to mainstream competitiveness in policy areas from energy, climate and the circular economy to investments, digital, the single market, standardisation and trade.⁸

It is clear that the fundamental obstacle to unlocking Europe's competitiveness is political: overcoming long-standing national and party-political fault lines. Failure to do so may in the past have been an irritant; it would now amount to sabotaging the future of generations of Europeans.

Our industries – representing one-third of Europe's manufacturing base with over 700,000 companies and close to 12 million direct employees – are the backbone of Europe's industry at local level. As providers of the technologies that are integral to reaching Europe's net zero goals, we will help demonstrate that sustainability and competitiveness can and do go hand in hand. If policymakers recommit to making Europe an attractive place for industry and investments, our companies and associations will do their part to deliver the transformation needed for Europe to decarbonise and digitalise its economy while maintaining its geo-political relevance:

1. We will jump-start the innovation capacity of European industry
2. We will accelerate the electrification of industry and wider society
3. We will catalyse deployment of advanced manufacturing and other enabling technologies required to support the wider transformation of Europe's industrial base

⁶ e.g. the EU Taxonomy, Corporate Sustainability Reporting Directive, REACH, Carbon Border Adjustment Mechanism, Corporate Sustainability Due Diligence Directive etc

⁷ e.g. General Data Protection Regulation, Network Information and Security 2 Directive ("NIS2"), Cyber Resilience Act

⁸ See Orgalim Key Recommendations here orgalim.eu/policy

The required industrial transformation will only materialise if it is led by industry. If policymakers are prepared to engage in honest dialogue with our industries, they can count on us to help them secure a clean, resilient and future-facing industrial base in Europe.

Time is running out. Our political leaders at national and European level must now show the political courage to take the bold steps needed to revitalise Europe's competitiveness as they lay out their plans for the next five years.

***Adopted by the Orgalim Council
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Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of €2,835 billion, manufacturing one-third of all European exports and providing 11.7 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

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